

IC 21-4-20

Chapter 20. Temporary and Emergency Loans

IC 21-4-20-1

Temporary loans in anticipation of current revenues authorized; limitations; competitive bidding on interest rates

Sec. 1. Whenever it is found by the board of school trustees or other proper authorities of any school city or school town that an emergency exists for the borrowing of money with which to meet the current expenses of the schools of such school town or school city, the board of school trustees or other proper authorities of such school city or school town may make temporary loans in anticipation of the current revenues of such school town or school city to an amount not exceeding fifty percent (50%) of the amount of taxes actually levied and in the course of collection for the fiscal year in which such loans are made. Revenues shall be deemed to be current and taxes shall be deemed to have been actually levied and in the course of collection when the budget levy and rate shall have been finally approved by the department of local government finance. However, in all second and third class school cities, no loans shall be borrowed under this section in excess of the sum of twenty thousand dollars (\$20,000) until the letting of the loans shall have been advertised once each week for two (2) successive weeks in two (2) newspapers of general circulation published in the school city, and until sealed bids have been submitted at a regular meeting of the school board of the school city, pursuant to the notices, stipulating the rate of interest to be charged by the bidder. School loans under this section shall be made with the bidder submitting the lowest rate of interest and submitting with the bid an affidavit showing that no collusion exists between that bidder and any other bidder for the loan.

(Formerly: Acts 1917, c.76, s.1; Acts 1959, c.57, s.1; Acts 1963, c.1, s.1.) As amended by Acts 1981, P.L.44, SEC.26; P.L.90-2002, SEC.451.

IC 21-4-20-2

Authorization of loans; evidence of loans; issuance of time warrants

Sec. 2. (a) Such temporary loans shall be authorized by a resolution of such board of school trustees or other proper authorities, designating the nature of the consideration, the time and place payable, the rate of interest, not to exceed six percent (6%) per annum, the revenues in anticipation of which such temporary loans are made and out of which the same are payable, and appropriating and pledging a sufficient amount of the current revenues of such school town or school city in anticipation of which such temporary loans are made, and out of which they are payable, to the payment thereof. Such temporary loans shall be evidenced by the time warrants of such school town or school city in terms designating the nature of the consideration, the time and place payable, the revenues in anticipation of which they are issued and out of which they are

payable. The interest accruing on such warrants to date of maturity shall be added to and included in the face value thereof.

(b) Any such school corporation may issue the time warrants of such school corporation, in anticipation of the current revenues of such school corporation, direct to persons, firms, limited liability companies, and corporations in payment of approved services, materials, and supplies contracted for, purchased, performed, and delivered.

(Formerly: Acts 1917, c. 76, s. 2; Acts 1933, c. 261, s. 1.) As amended by P.L. 1-1989, SEC. 46; P.L. 8-1993, SEC. 268.